2.6 Room 2 (Lawang): SME performances

Toward an integrative model of SME performance in Nigeria

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Abstract: Nigerian government had been spending an enormous amount of money for the entrepreneurial and small business development programs in order to develop a vibrant SME sector. Nevertheless, most of these programs lasted with poor results generally. This led to the implementation of national policy on micro, small and medium enterprises, which identifies lack of application of knowledge and entrepreneurial attitude by SMEs as the principal reasons for their non-performance tradition. Although, this policy brings about unprecedented improvements in the sector, still it is contributing less compared to other developing countries. This is because, in the present rapid changing environment, the strategy of accumulating such intangible resources is not enough to determine significant performance. Consequently, this paper draws upon the resource-based, knowledge-based, and dynamic capabilities perspectives to initiate a move toward the development of an integrative model of SME performance in the Nigerian turbulent environment.

Keywords: Nigeria, Intangible resources, Resource-based view, Knowledge-based view, Dynamic capabilities view

1. Introduction

Nowadays, small and medium enterprises (SMEs) performance is becoming an important area of concern among business researchers, practitioners, governments as well as international organizations. This is because SME sector is among the imperative areas of economic proliferation in both developed and developing countries (Herath & Mahmood, 2013). In most economies, SMEs represent the majority of business enterprises, and thus responsible for most jobs creation and accounts between one third to two thirds of the turnover of the private sector (*United Nations Industrial Development Organization & Organization for Economic Co-operation and Development [UNIDO & OECD] 2004*). Different authors in various economies and institutions set their guidelines for defining SMEs usually based on the number of the firm's employees, assets, and sales, and in some cases it legal status and method of production (Abor & Quartey, 2010). For example, while Egypt has defined SMEs as firms with more than 5 and less than 50 employees, in Vietnam SMEs are considered to have between 10 and 300 employees. The World Bank has also defined SMEs as those business enterprises with not more than 300 employees, $15 million of annual revenue, and $15 million in assets. Inter-American Development Bank has described SMEs as enterprises with a maximum of 100 employees and less than $3 million in revenue (Bouri et al., 2011). Moreover, European Commission is of the view that, SMEs are "the category of business enterprises that employ a fewer than 250 persons and have an annual turnover not exceeding 50 million Euro, and/or an annual balance sheet total not exceeding 43 million Euro" (Verheugen, 2005). On the other hand, *UNIDO and OECD (2004*) classified SMEs into four broad categories based on the number of the employees employed by an enterprise (i.e., 0 self-employed, 2-9 micro business, 10-49 small business, and 50-249 medium-size business).

In Nigeria, the *National Policy on MSMEs* (2005) described SME as a sector that comprises micro, small and medium enterprises (MSMEs), which are distinguished as distinct from the large firms. As such, SMEs are defined as those enterprises with less than 200 employees and not more than

₦500,000,000 excluding land and building properties. According to this definition, SMEs cover the entire range of economic transaction sectors in Nigeria other than large corporate organizations. These include manufacturing, ICT, transport, hotels and restaurants, building and construction, agriculture, culture and tourism, and trade and commerce industries (*National Implementation Plan*, 2010). However, irrespective of how SMEs are defined, the sector is considered as a major engine of economic growth and development especially in the developing and least-developed countries (LDCs), as it plays a fundamental role in furthering growth, innovation as well as economic and social prosperity. In the developing economies, it is usually the primary 'self-help' mechanism for poverty eradication for over two decades (*UNIDO & OECD, 2004*). More so, in those developing economies, performing SME sector continues to be the principal source of income growth, employment, technological progress and broader economic development (Hobohm, n.d.).

Nigeria like other developing economies, requires sustainable economic growth and development thereby paying attention to SME sector, which will provide the country with an excellent source of employments, improve local technology, and increase the output of indigenous entrepreneurship (Gbandi & Amissah, 2014). As a result, different administrations in the country had implemented various programs in an effort to develop vibrant SME sector, which can contribute immensely to the national economy at both local and international levels. However, most of these programs lasted without achieving expected substantial results (Chinedu, Titus, & Thaddeus, 2010). Mambula (2002) reported that since Nigerian independence in 1960, the country had been spending huge amount of money for entrepreneurial and small business development programs, but yielded results are poor generally. Hence, the sector does not optimally perform in the country as expected, and it does not play the expected vital role in the national economic growth and development (Doguwa, Olowofeso, & Essien, n.d. ; Ekwem, 2011). For example, Abor and Quartey (2010) noted that since 1999 UNIDO estimated that SMEs have been contributing at least 50% of gross domestic product (GDP) in most African countries, but in Nigeria the contribution of SMEs to the GDP was 3.68% in 2000, 3.43% in 2002, and 3.07% in 2004 (Chinedu et al., 2010).

This issue of SMEs' underperformance has had continued to became a great concerned to the Nigerian governments and organized private sector groups (Ekwem, 2011). Hence, it led to the implementation of National Policy on micro, small and medium enterprises (MSMEs) in 2005. The National Policy on MSMEs outlined a number of common problems shared by SMEs in the country. These includes the poor flow of information, poor and weak linkage between different segments of operations in the sector, low operating capacities in terms of skills, knowledge and enterprises attitudes (*National Implementation Plan*, 2010). Even though, the implementation of the national policy on MSMEs brings about the unprecedented improvement in the performance of Nigerian SMEs, the performance of the sector is still low considerably (Gbandi & Amissah, 2014). This is because it contributes less compared to other developing countries in terms of both GDP and employment, and also below the average of most of the developing African countries as estimated by UNIDO (Ndumanya, 2013). That is to say, upon all the efforts made by the Nigerian policy makers to address the need for the country's SMEs to develop and use their intangible resources such as knowledge and entrepreneurial attitudes, the sector is still underperforming. For example, while SMEs have been contributing more than 50% to both GDP and employment in most of the African developing countries since 1999 (Abor & Quartey, 2010), until 2006 the Nigerian SMEs were contributing less than 10% of the country's GDP (*Small and Medium Enterprises Report*, 2009). More recently, a study conducted by Abor and Quartey (2010) reported that SMEs provide about 85% of the manufacturing employment and contribute 70% to the Ghanaian GDP, and in South Africa, the sector contributes between 52% and 57% of the GDP and 61% of the employment. But in Nigeria, the statistical report by Small and Medium Enterprises Development Association of Nigeria (SMEDAN) and National Bureau of Statistics (NBS) revealed that MSMEs currently contribute only 25% of the total of Nigerian employment and 45% of the country's GDP respectively (Ndumanya, 2013).

However, the reason for the today's SMEs underperformance in Nigeria is most probably due to the current turbulence in the business environment, resulting from the present rapid and constant flux in global business environment, technological opportunities, change in consumer needs and fiercely competitive activities (Teece, 2007). For example, the CEO of Domino Information Company Limited, Uzo Nduka has made it clear that the Nigerian SMEs are under the critical situation as a result of global business environment instability. Therefore, they are likely to fall back to recession or

continue fighting with the recovery process, as such managers need to response to the strategies that would safeguard their businesses from collapsing and give them competitive advantage (Alawode, 2013). Consequently, in such a turbulent environment like Nigeria (Asikhia, 2010), the strategy of accumulating those valuable intangible resources is often not enough to support a significant firm performance (Teece, Pisano, & Shuen, 1997). In essence, in such an environment, superior performance relies upon the ability of a firm to integrate, build and reconfigure its intangible resources (Wu, 2007). This process of integrating and reconfiguring intangible firm resources is what has been termed as dynamic capabilities (Teece & Pisano, 1994; Teece et al., 1997), which are theorized as the integrative mechanisms between firm resources and superior performance in turbulent settings.

Upon all the presence of these issues that warrant the need to conduct various studies on dynamic capabilities on Nigerian SMEs, no study hitherto found that has investigated the role of dynamic capabilities on enhancing the effects of knowledge and entrepreneurial orientation on SME performance in Nigerian context. Although, there is generally lack of studies on SMEs in the country (Okpara, 2009), even the few ones pay much attention to access to finance and infrastructures (cf. Adaramola, 2012; Adigwe, 2012; Dabo, 2011; Ofoegbu, Akanbi, & Joseph, 2013; Oreoluwa, 2011), and very little to intangible resources (cf. Asikhia, 2010; Junaidu, 2012). Based on the above discussions, the present study is designed to open an avenue for the development of an integrative conceptual model of SME performance within the ambit of entrepreneurship and strategic theories. The following section presents the theoretical background of the study, whereas section three and four present conceptual model and conclusions respectively.

2. Theoretical background

The most commons and influential perspectives that explain the relationship between knowledge and non-knowledge intangible resources with performance are the resource-based view (RBV) and knowledge-based view of the firm (Theriou & Aggelidis, 2009). The former posits that for a firm to have superior performance it must control intangible valuable, rareness, inimitable and non-substitutable assets to be used in implementing strategy that is not simultaneously being implemented by current or potential competitors (Barney, 1986, 1991; Bridoux, 2003). The later on the other hand, proposes that the competitive success of a firm is subject to its ability to integrate the specialized knowledge assets that can create core competences (Pemberton & Stonehouse, 2000).

2.1 Resource-based view (RBV)

Specifically, Barney (1991) as one of the paramount theorist of the RBV posited that if all firms within an industry share the same resources, then none of them has a possibility of sustained competitive advantage. Because, if one firm can conceive of and implement a strategy that can improve its performance, those rival firms can also do the same as they possess everything in common. Thus, the source of sustained competitive advantage is for a firm in an industry to have heterogeneous intangible valuable, rareness, inimitable, and non-substitutable assets to be used in implementing strategy that is not simultaneously being implemented by current or potential competitors and also difficult to be duplicated by those competitors. The heterogeneous and immobile resources owned by a firm are however the sources of both competitive advantage (i.e. value creating strategy, which is not simultaneously being conceived of and implemented by current or potential competitors), and sustained competitive advantage (i.e., when such competitors are unable to duplicate the benefit of the strategy in question). These idiosyncratic resources of the firm are imperfectly inimitable (Barney, 1986). The imperfect mobility is as a result of the firm's ability to obtain resources in a unique historical condition, a causally ambiguous relationship between the firm's resources and sustained competitive advantage, and or generated from the firm's resources through socially complex, or combination of both (Barney, 1991).

2.2 Knowledge-based view (KBV)

Unlike the RBV that was built on the heterogeneity and immobility of valuable, rareness, inimitable and nonsubstitutable resources, which make it difficult to duplicate the firm's value creating strategy by competitors (Barney, 1986, 1991), the KBV is based on the assumption that the knowledge-based resources are usually difficult to emulate as they reside within specialized individuals. As such,

such heterogeneous knowledge bases and capabilities they generated for a firm are the primary sources of sustained competitive advantage (Grant, 1996b). Hence, this perspective posits that the most fundamental role of a firm is the integration of specialists knowledge that resides within individuals organizational members, and thus it is the basis of organizational capabilities (Grant, 1996a).

Accordingly, the KBV posits that the competitive success is subjected to the ability of a firm to integrate specialized knowledge assets that can create core competences (Pemberton & Stonehouse, 2000). Grant (1996a) further argued that the central assumption for the KBV is that the critical input of a firm in production and the primary sources of value is knowledge. Miller (2002) also recognized a firm as a body that generates, integrates and distributes knowledge so as to compete and perform efficiently. Hence, the possession of the stocks of organizational knowledge related with value is considered as uncommon or idiosyncratic assets that stand a good chance of generating high performance (Ranft & Lord, 2002). However, Theriou and Aggelidis (2009) categorized KBV into two subgroups: Fist subgroup is considered to be closer to the RBV, stresses that knowledge is the most valuable strategic resource for firms. The second subgroup takes into account of different types of individual knowledge and develops the knowledge-based view (KBV) of the firm on the basis of knowledge integration. This second group posits that, *direction* (i.e., codifying tacit knowledge assets into explicit sets of rules, and instructions), and *organizational routines* (i.e., set of activities that permit knowledge integration without communicating the knowledge) are the mechanisms for integrating knowledge (Grant, 1996a). Nevertheless, these theories are not contradicting each other, but rather compliments in such a way that both of them explain competitive advantage through the effects of firm resources (Theriou & Aggelidis, 2009).

2.3 Dynamic capabilities view (DCV)

In spite of the potentiality of those perspectives in explaining how a firm is able to use its intangible resources to conceive of and implement valuable strategy to achieved and sustained competitive advantage, the perspectives have lapsed in the explanation of how and why some firms outperform others under situations of rapid and unpredicted changes (Eisenhardt & Martin, 2000). Thus, the DCV has evolved as a coordinative paradigm to complement those perspectives in determining superior firm performance in such unpredicted and rapid changing situations (Teece & Pisano, 1994; Teece et al., 1997). To sum, the DCV is an offshoot of both the RBV and KBV (El Akremi, Perrigot, & Piot-Lepetit, 2013). According to DCV, successful firms are those that can demonstrate timely and rapid response, and flexible innovation along with the management capabilities to effectively coordinate and redeploy internal and external competences (Teece et al., 1997). The perspective has provided a framework that can both integrate existing conceptual and empirical knowledge to develop capabilities, which are the sources of performance and also difficult to replicate. As such, to be strategic, a particular capability must be honed to a user needs, unique, and difficult to replicate. However, unlike the RBV and KBV that were built on the accrual of intangible assets, the DCV posits that the essence of competences and capabilities is rooted in the organizational and managerial processes shaped by assets positions of a firm and therefore molded by its paths.

Teece et al., (1997) argued that the managerial processes refer to the way and manner things are carried out in a firm. These managerial processes are also referring to routines or patterns of the current firm's practice and learning. Organizational routines are made-up of three roles. (1) Coordination/integration (i.e., the role of managers in integrating and coordinating the firm's internal activities and assets, strategies and competences of a firm as well as external activities and technologies). (2) Learning (i.e., to enable the task to be performed quicker and better through the process and repetition and also identifies new production opportunities). (3) Reconfiguration/transformation (i.e, the ability of a firm to sense the need for reconfiguration of the firm assets structure and to accomplish required internal and external configuration in a rapidly and unpredicted changing environment or situation). The positions of the firm's assets that shape organizational and managerial process in view of Teece et al. (1997), refer to the specific assets that determine the firm's ability to compete advantageously and perform credibly at any point in time. These include the firm's difficult-to-trade knowledge assets, intellectual property, relational assets, technological assets, complementary assets, reputational assets, market (i.e., structure) assets and organizational boundaries. Finally, the notion of paths dependencies that mold those organizational

and managerial processes as according to Teece et al. (1997) are the firm's specific histories. That is to say, the firm's previous investments and a collection of its routines compose its future behavior. Because learning opportunity is 'close in' to previous activities as it involves the process of trial, feedback, and evaluation. In a nutshell, where a firm can go is the function of the firm's paths ahead, i.e., "Bygones are rarely bygones" (Teece et al., 1997).

3. Toward the conceptual model

Based on the above discussions, it is clear that the relationship between the pool of the firm's intangible resources and superior performance in the current turbulent business environment is not direct, but rather through the logical processes of dynamic capabilities. Although, it is argued that the knowledge-based resources are what give firm the greatest ability of sustainable differentiation and therefore a key factor for competitive advantage (Aminu & Mahmood, 2016; Dierickx & Cool, 1989; Lippman & Rumelt, 1982; Reus, Ranft, Lamont, & Adams, 2009), and the possession of knowledge related with value is considered as uncommon or idiosyncratic asset that stand a good chance of generating superior performance (Ranft & Lord, 2002), in a such rapidly changing environment the strategy of accumulating valuable assets guided by the firm's intellectual right is often not enough to support a significant performance (Teece, Pisano, & Shuen, 1997). More so, Pemberton and Stonehouse (2000) argued that the competitive success of a firm relies on its ability to integrate these knowledge assets that can create capabilities.

On the other hand, the earlier development of entrepreneurship considered the concept as a significant source of competitive advantage in the hyper-competitive environment (Miller, 1983). Similarly, a number of researchers have recognized the role of entrepreneurial orientation as an essential firm resource in an uncertain and rapid changing business environment (Aminu, Mahmood, & Muharram, 2015; Baba & Elumalai, 2011; Covin & Slevin, 1989; Idar & Mahmood, 2011; Maatoofi & Tajeddini, 2011; Yang, 2006). Consequently, many companies consider entrepreneurial behavior as crucial part of their survival in order to withstand the unpredicted and accelerated changes that drive today's business world (Lyon, Lumpkin, & Dess, 2000), nevertheless, Wu (2007) argued that without converting such entrepreneurial resource into dynamic capabilities, it does not determine performance in a rapidly changing environment.

The dynamic capabilities processes on the hand referred to the ability of a firm to build, integrate, and reconfigure its internal and external competences in order to deal with rapid changing environments. Eisenhardt and Martin (2000) argued that dynamic capabilities are antecedents of the firm's strategic routines by which managers integrate, build and recombine resources and competences in order to generate and sustain superior performance. Hence, managers ought to know the set of dynamic capabilities, which are most appropriate for their firms, and also understand the logical sequence of these capabilities in reconfiguring and rebuilding their internal and external resources and competences (cf. Aminu & Mahmood, 2016a), which in turn determine superior performance. However, Li and Liu (2014) categorized dynamic capabilities into three dimensions; strategic sense-making capacity, timely decision-making capacity, as well as change implementation capacity. Bernroider, Wong, and Lai (2014) on the other hand argued that the dimensions of dynamic capabilities comprise external information acquisition, decision-making and evaluation and IT governance. Whereas, Villar, Alegre, and Pla-Barber (2014) proposed two phases of dynamic capabilities, known as external knowledge integration and internal knowledge development.

In this paper, we have drawn on Pavlou and Sawy's (2011) dynamic capabilities model that comprises four basic dimensions (i.e., sensing, learning, integrating and coordinating) that composes a pool of capabilities and their interaction in a logical sequence so as to reconfigure existing firm's operational capabilities to new ones (Nieves & Haller, 2014). This conceptualization of dynamic capabilities was basically based on the work of Teece et al. (1997) on organizational and managerial processes roles, and Teece's (2007) framework. On the other hand, in spite of the fact that both the operational capabilities and dynamic capabilities are the collection of routines, the later specifically referred to the ability of a firm to reconfigure and change, whereas, the former described as the ability of a firm to make daily operations (Winter, 2003). However, the ultimate goal of dynamic capabilities is in relation to the ability of the management to sense and seize opportunities, thereby navigating threats, as well as combining and reconfiguring existing firm operational capabilities to new ones that meet customer needs and to sustain and intensify long-run performance (Pavlou & Sawy, 2011; Teece,

2007). In this sense, the first logical processes or capability the management of a firm needs to take into account is sensing capability.

3.1 Sensing Capability

Sensing is the firm's ability to spot, interpret and pursue environmental opportunities (Nieves & Haller, 2014; Pavlou & Sawy, 2011). This is so important and necessary because reconfiguration requires a surveillance of new technologies and the market trend to sense and seize environmental opportunities (Pavlou & Sawy, 2011). Teece et al. (1997) noted that, the ability of a firm to integrate and build requirements for change and make necessary adjustment largely depend on its ability to scan the environment, evaluate markets and competitors, and accomplish reconfiguration quickly ahead of competition. However, due to the today's rapid and constant flux in global business environment, technological opportunities, change in consumer needs, and fiercely competitive activities, opportunities open up for both incumbent and new enterprises, thus, putting profits of incumbent at risk (Teece, 2007). Hence, sensing new opportunities is now very much necessary for scanning, learning, creation and integrative activity, and so investment in research and activities related to this activity is often necessarily required.

Teece (2007) acknowledged two major factors by which firm detect opportunities in the environment. Firstly, entrepreneurs usually have different access to available existing information. This entrepreneurial function take advantage of any recognizes disequilibrium. It is the mechanism that underlines the continuous process of evolution and revolution. Secondly, new knowledge and information (i.e., both exogenous and endogenous) create opportunities, in other words, the application of new knowledge can sense opportunities for a firm. Moreover, Teece (2007) also noted that to identify and seize such opportunities companies must continually search, scan and explore across markets and technologies, both within the local and distance environment. Teece (2007) further argued that, this activity is not only limited to research, probing and reprobing technological possibilities and customer needs, but also to understand the talent demand, structural evolution of firms/industries and markets, as well as the supplier and competitor responses.

3.2 Learning Capability

Once market opportunity has been identified, firm must address it with new products, services or processes that are the functions of entrepreneurial orientation (Covin & Slevin, 1989; Miller, 1983), and also required decisions to revamp and renew existing firm capabilities with learning new knowledge and skills (Pavlou & Sawy, 2011; Teece, 2007). Learning capability has been defined as the firm's ability to revamp its existing operational capabilities with new knowledge (Nieves & Haller, 2014). Pavlou and Sawy (2011) noted that absorptive capacity (i.e., learning) as a form of dynamic capabilities has been earlier developed comprising four routines (i.e., acquiring, assimilating, transforming, and exploiting knowledge). Therefore, the new learning capability dimension or process developed by Pavlou and Sawy (2011) built on this conceptualization (i.e., absorptive capacity) as earlier developed by Zahra and George (2002), and work of other scholars (e.g., Eisenhardt & Martin, 2000; Grant, 1996a; Henderson & Cockburn, 1994).

In the first place, Pavlou and Sawy (2011) associated acquiring knowledge to obtaining new knowledge. Secondly, assimilating knowledge refers to knowledge brokering and knowledge articulation. Thirdly, transforming knowledge concerns with innovative problem-solving, brainstorming, and creative new thinking. And finally, exploiting knowledge consists of activities such as pursuing new initiatives, seizing opportunities with learning, and revamping operational capabilities. Based on the above, learning has been conceptualized as an enabler of reconfiguration thereby helping to revamp existing firm operational capabilities (Zollo & Winter, 2002). More so, Pavlou and Sawy (2011) suggested that, to take advantage of market opportunities in rapid changing environments, a firm must engage in learning in order to find new solutions, build new knowledge, and reconfigure existing operational capabilities.

3.3 Integrating Capability

Pavlou and Sawy (2011) noted that reconfiguration relies on the firm's integration of new resources and assets. This is because a collective logic and shared interaction patterns are required for the reconfiguration of existing operational capabilities. It is however held that, as new knowledge is

created through learning and mostly owned by individuals, therefore, it must be integrated into a collective level. Moreover, as these operational capabilities are supra- individual, the individual's knowledge and patterns of interaction must be incorporated into a collective system so as to deploy the new configurations of operational capabilities. By definition, integration capability is the ability of a firm to combine knowledge of different individuals into the unit's new operational capabilities (Nieves & Haller, 2014). Pavlou and Sawy (2011) maintained that routines contribution, representation, and interrelation of individual inputs into the collective business unit are closely related to the literature on dynamic capabilities. In essence, the dynamic capabilities literature associated contribution to disseminating individuals inputs within the business unit. On the other hand, representation concerns with visualizing how individuals fit in, how other individuals react and how activities of business unit's fit together. Lastly, interrelation is more of integrating inputs from different individuals within a business unit to sharpen the reconfigured operational capabilities thereby executing a collective activity.

Pavlou and Sawy (2011) developed integrating capability from the aforementioned three fundamental routines (i.e., contribution, representation, and interrelation of individual input) to facilitate the reconfiguration. First, contribution to business units to facilitate, collect and combine inputs of individuals. Secondly, representation creates shared understanding and builds common ground and develops new perceptual schema. Thirdly, since that reconfiguration requires a new logical collective interaction, interrelation facilitates routinization of the reconfigured operational capabilities. In addition, Teece (2007) refers dynamic knowledge integration as a foundation and basis for dynamic capabilities.

3.4 Coordinating Capability

Pavlou and Sawy (2011) noted that, since new operational capabilities' reconfiguration require effective coordination of resources, tasks and synchronization of activities, coordinating capability administer resources, tasks, and activities to deploy the reconfigured operational capabilities. In essence, coordinating capabilities deploy resources, tasks, and activities to enable reconfigured capabilities in order to face environmental issues to source and maintain superior firm performance. By definition, coordinating capability has been defined as the ability of a firm to coordinate and deploy its tasks, resources, and activities in the new operational capabilities (Nieves & Haller, 2014; Pavlou & Sawy, 2011).

However, Pavlou & Sawy (2011) maintained that coordinating capability's basic routines also drawn upon the literature of dynamic capabilities. These include assigning resources to the right task, appointing the right person to the right job, identifying complementarities and synergies among tasks and resources, as well as orchestrating collective activities. Even though, Pavlou and Sawy (2011) argued that coordinating capability is positively associated with integrating capability as coordination is enhanced by shared language, Kogut and Zander (1996) held that integrating and coordinating capabilities are theoretically and empirically distinct. In essence, while integration concerns with building an overall collective sense-making and understanding, coordination has to do with orchestrating individual tasks and activities.

4. Conclusion

Based on the aforesaid discussions, it is evidently enough that the SME underperformance in Nigeria rests upon the inability of managers to employ dynamic capabilities processes by reconfiguring the internal and external resources to conceive of and implement value-adding strategy. Consequently, this paper has addressed this issue by shading light on how managers can improve the performance of their respective businesses in today's hyper-competitive environment. Even though, this analogy is yet to be proven with empirical evidence, the argument is theoretically sense-making and logical. Consequently, the future research should develop a precise model and conduct an empirical investigation to prove the analogy statistically.

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